



Committed to the future of rural communities.

Housing Programs Self-Help Housing

Through this program, non-profit organizations receive technical assistance grants to help very-low and low-income families finance and build their own homes.

Approved applicants in groups of 8 to 12 families provide sweat equity, working together under the guidance of professionals to build each other's homes.

When all the homes are completed, each family has gained shelter, confidence, beneficial skills, and an unparalleled sense of community relationship.

Grant Applicant Eligibility

Any public body or public or private nonprofit corporation with the legal, administrative, and technical capacity to provide supervisory assistance to help low-income families build homes in rural areas by the self-help method may qualify for technical assistance grants.

Applicant organizations must show that:

- ◆ a need clearly exists in the area for self-help housing
- ◆ personnel can be hired to successfully carry out a technical assistance program
- ◆ funds are not available from other sources to provide these services.

Non-profit corporations must also have either:

- ◆ successful experience in the field of self-help housing or
- ◆ a sponsoring organization with this experience or with proven ability in related business fields.

Eligible Uses of Grant Funds

Organizations can use technical assistance funds for the following:

- ◆ to hire the personnel to carry out a program of technical assistance for self-help housing;
- ◆ to pay necessary and reasonable office and administrative expenses;
- ◆ to make essential equipment such as power tools available to the participating families;
- ◆ to pay fees for training group members in construction techniques or for other needed professional services.

USDA Rural Development Montana
www.rurdev.usda.gov/mt/

W.T. (Tim) Ryan
State Director
PO Box 850
Bozeman, MT 59771
(406) 585-2580
TDD (406) 585-2562

Deborah Chorlton,
Housing Programs Director
(406) 585-2515

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USDA, Director,
Office of Civil Rights
1400 Independence Ave. SW
Washington, DC 20250-9410
800-795-3272 (voice) 202- 720-6382 (TDD)

Homeowner Eligibility

Any small group of low-income families may qualify providing they cannot individually afford to build modest homes by customary methods.

Each family must be able to repay a loan for the cash cost of the house.

Loan applications will be accepted and reviewed on an individual basis to determine the eligibility of each participating family.

Eligible Uses of Loan Funds

Loans are used to buy materials and to pay for any skilled labor and contract costs for work the families are unable to perform.

If necessary, loans may be used to buy building sites and prepare them for construction.

Homeowner Responsibilities

Each family will sign a promissory note as evidence of their desire to participate in the self-help housing program and to furnish the required labor to complete the house.

A membership agreement, which will outline the operation of the project, will also be signed by each family.

The families must agree to:

- ◆ work as a group under the guidance of a construction supervisor;
- ◆ work the required hours necessary to complete the homes;
- ◆ attend all preconstruction meetings;
- ◆ build only modest adequate housing;
- ◆ build their homes in the same community; and

- ◆ carry out all responsibilities of home ownership after the homes are completed.

Planning & Building

The plans and specifications for each home will be reviewed by Housing Programs.

The group will decide how the members will share labor, how records will be kept of time worked, and how labor will be exchanged on a fair basis.

Construction will begin only after the loan has been closed.

Construction will be completed in phases with each stage of construction finished as practical on all houses before the next phase is started.

Construction changes cannot be made without prior approval of USDA Rural Development.

USDA Rural Development's Self-Help Housing Program Building Homes and Communities

